

February 23, 2021

The Honorable Janet Yellen  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Ave, NW  
Washington, DC 20220

Dear Secretary Yellen,

As you may know, millions of American retail investors unwittingly hold investments in U.S.-sanctioned and other questionable Chinese corporations through their retirement accounts and investment portfolios. Among these are Chinese companies linked to or affiliated with the People's Liberation Army; horrific human rights abuses, including the aiding and abetting of genocide against the Uyghur population in Xinjiang; the building and militarizing of Beijing's illegal islands in the South China Sea; the manufacturing of advanced weapons systems; the construction of an oppressive "surveillance state"; and weapons proliferation.

Given reports that indicate the level of this investment has grown rapidly in recent years, I am increasingly alarmed at American portfolio investments made in these Chinese enterprises with insufficient due diligence as well as the circumvention by some of these companies of U.S. rules for financial governance and transparency that could intensify the risks for American investors.

Over the last few months, we have made important strides in remedying these threats to both investors and national security, including the bipartisan Holding Foreign Companies Accountable Act to require public companies to disclose ownership or a controlling-interest by a foreign government and to prohibit the listing on a U.S. securities exchange of any company that does not complete a Public Company Accounting Oversight Board audit for three consecutive years.

In addition, the last administration issued Executive Order 13959 to prohibit U.S. investors from holding the securities of Communist Chinese Military Companies (CCMCs) that appear on the U.S. Department of the Treasury's Office of Foreign Assets Control list or the U.S. Department of Defense's Section 1237 List, which will soon transition to the more broadly-defined Section 1260 List as mandated by the National Defense Authorization Act of 2021.

My understanding is the actions in this Executive Order are currently under review by the Administration. I strongly encourage you to take swift action to fully implement this Executive Order. Whether it is Chinese companies that are involved in enabling genocide (a designation that you and Secretary of State Tony Blinken have correctly supported) or assisting in the manufacturing of advanced weapons systems, any implementation delays will have a detrimental

effect on our national security interests and American investors who are unknowingly helping to facilitate these egregious acts.

One of China's most glaring weaknesses is access to the kind of large-scale financing that only U.S. capital markets can adequately provide. As this is one of our country's greatest strengths, we must take every measure necessary to protect it. We must place American investor protection and our national security interests ahead of any fleeting investment gains when it comes to financing of the Chinese Communist Party and its affiliated enterprises and activities.

I look forward to your response and to working with you on this critical undertaking.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Young", written in a cursive style.

Todd Young  
United States Senator

CC: Secretary Lloyd Austin, U.S. Department of Defense  
Secretary Tony Blinken, U.S. Department of State